

EXHIBIT II
SHEET 1 OF 2

FCC REPORT 43-02
ARMIS STATISTICAL DATA
COMPANY: BellSouth Telecommunications
STUDY AREA: BST
PERIOD: From Jan 1997 To Dec 1997

Approved By OMB
Expires:
Unrestricted Version
SUBMISSION 1
PAGE 1 OF 1

TABLE 1 - UNIVERSAL SERVICE FUND

	HIGH COST	LOW INCOME	SCHOOLS LIBRARIES	RURAL HEALTH	TOTAL USF	TOTAL NON-USF	ACCOUNT TOTAL
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
100 Tot Access Exp (A/C 6540.000)	100	100	100	100	400	200	600
110 Tot IS Access Exp (6540.1000)	XXX	XXX	XXX	XXX	XXX	100	100
120 Tot ST Access Exp (6540.2000)	XXX	XXX	XXX	XXX	XXX	100	100
130 Tot USF Exp (6540.3000)	100	100	100	100	400	XXX	400

TABLE 2 - SUMMARY OF SEPARATIONS ALLOCATORS
SUBJECT

CATEGORY	TO SEPNS	INTERSTATE	STATE
(a)	(b)	(c)	(d)
1000 BASIC ALLOCATION FACTOR	100.00%	25.00%	75.00%
1010 DIAL EQUIPMENT MINUTES	44,642	4,925	39,718
1020 TANDEM MINUTES OF USE	4,055	1,631	2,424
1030 SUB LINE MINUTES OF USE	44,582	4,915	39,668
1040 MINUTES OF USE	161,076,961	15,659,255	145,417,706
1050 CONVERSATION MINUTES	4,497	2,138	2,358
1060 CONVERSATION MINUTE KM	381,097	167,159	213,938
1070 DA WSWS	1,282,358	247,975	1,034,383
1080 INT WSWS	6,187	683	5,504
1090 PL/WATS LOOPS	55,638	0	55,638
1100 SUB/CL LOOPS	1,756,899	N/A	N/A
1110 LOOP ALLOCATION FACTOR	100.00%	25.00%	75.00%
1120 TOT WORKING LOOPS	1,812,538	N/A	N/A
1130 LOCAL MESSAGES	1,665,989	N/A	1,665,989
1140 TOLL MESSAGES	267,911	107,719	160,192
1150 TOTAL MESSAGES	1,933,900	N/A	N/A
1160 TOTAL BILLABLE ACCESS LINES	1,728,000	N/A	N/A
1170 PL ACCOUNTS	234,108	2,952	231,156
1180 DIR AD USERS	48,875	N/A	N/A
1190 MSG TOLL USERS	1,213,301	N/A	N/A
1200 TOT CURR USERS	2,632,151	N/A	N/A

TABLE 3 - MISCELLANEOUS DATA

CATEGORY	TO SEPNS	INTERSTATE	STATE
(a)	(b)	(c)	(d)
2000 Lifeline Adjustment	0	700	(700)
2010 Universal Service Fund	0	10,000	(10,000)
2020 Common Line Support-Transitional	N/A	(50,000)	N/A

TABLE 4 - ACCESS LINE DATA

3000 Single Line Residence	500,000
3010 Residence Lifeline	200,000
3020 Residence Non-Lifeline	14,000,000
3030 Multiline Business-Centrex CO & CT	6,000,000
3040 Lines Subject to Special Surcharge	7,000
3050 TOTAL BILLABLE ACCESS LINES	20,707,000

NEW ARMIS REPORT 43-02
STATISTICAL DATA

New ARMIS Report 43-02 contains statistical data relating to access lines, allocations factors, etc. that are used to apportion/allocate costs per Parts 36 and 69 of the Commission's Rules.

TABLE 1 - Universal Service Fund

Provides a summary of USF contributions booked to Account 6540 by fund type (High Cost, Low Income, Schools & Libraries, Rural Health. Also included is a summary of non-USF expenses which are also booked to Account 6540.

TABLE 2 - Separations Allocators

Provides a summary of the major allocators used to separate costs between jurisdictions.

TABLE 3 - Miscellaneous Data

Summarizes Lifeline and USF revenues received during the year.

TABLE 4 - Access Line Data

Displays access lines by Single Line Residence, Residence Lifeline, Residence Non-Lifeline, Multi-line Business, Lines Subject to Special Surcharge and Total Billable Access Lines.

TABLE I - COST AND REVENUE TABLE
 (Dollars in thousands)

(a)	(b) Common Line	(c) Traffic Sensitive	(d) Trunking	(e) Total Access	(f) Billing & Collection	(g) IX	(h) Interstate
Revenues							
1010 Basic Local Services	0	0	0	0	0	0	0
1020 Network Access Services	1,889,316	623,944	1,062,553	3,575,813	0	9,189	3,585,000
1030 Toll Network Services	0	0	0	0	0	14,536	14,536
1040 Miscellaneous	7,185	801	2,486	10,472	81,202	6	91,683
1045 Nonregulated	0	0	0	0	0	0	0
1050 Settlements	0	0	0	0	0	6	6
1060 Uncollectible	21,348	0	16,488	37,836	35	427	38,295
1090 Total Operating Revenues	1,875,153	624,745	1,048,551	3,548,449	81,167	23,310	3,652,930
Expenses							
1120 Plant Specific	413,999	48,764	146,740	609,503	0	374	609,878
1130 Plant Non-Specific	148,430	20,957	61,433	230,820	0	163	230,983
1140 Customer Operations Marketing	96,315	14,171	39,627	150,113	0	105	150,217
1150 Customer Operations Services	30,580	24,716	27,489	82,785	124,540	9,469	216,791
1160 Corporate Operations	175,703	27,910	69,431	273,044	31,345	2,573	306,963
1170 Access	0	0	0	0	0	4,772	4,772
1180 Depreciation/Amortization	482,333	95,852	260,360	838,545	0	751	842,185
1185 FCC Expense Adjustment	466	67	(110)	423	0	0	424
1190 Total Operating Expenses	1,347,826	232,437	604,970	2,185,233	155,885	18,207	2,362,213
Other Operating Items							
1290 Other Operating Income/Losses	(77)	(13)	(27)	(117)	0	0	(117)
Non-Operating Items							
1320 Inc Effect/Jurisdictional Diff (Rev)	0	0	0	0	0	0	0
1330 Extraordinary Items (Rev)	0	0	0	0	0	0	0
1340 AFUDC (Rev)	2,610	381	1,092	4,083	0	(1)	4,082
1350 Special Charges (Exp)	2,611	384	1,061	4,056	0	4	4,060
1360 All Other Non-Oper Items (Rev)	0	0	0	0	0	0	0
1370 FCC Non-operating Adj (Exp)	0	0	0	0	0	0	0
1390 Total Non-oper Items (Exp)	1	3	(31)	(27)	0	5	(22)
Other Taxes							
1410 State And Local Income	16,756	20,568	20,191	57,535	(4,285)	268	53,309
1420 Other State And Local	75,722	12,308	30,613	118,643	0	163	118,808
1490 Total Other Taxes	92,478	32,896	50,804	176,178	(4,285)	431	172,117
Federal Income Taxes							
1510 Fixed Charges (Exp)	85,576	11,409	34,010	130,995	0	90	131,207
1520 IRS Income Adjustment (Rev)	20,212	(6,967)	(13,146)	99	0	(51)	(155)
1530 FCC Taxable Income Adj (Rev)	448	64	185	697	0	0	700
1540 ITC Amortization (Rev)	7,266	1,027	2,978	11,271	0	7	11,420
1550 FCC ITC Adjustment (Rev)	0	0	0	0	0	0	0
1590 Net Federal Income Taxes (Exp)	122,183	118,352	118,055	358,590	(24,652)	1,579	334,325

TABLE I - COST AND REVENUE TABLE
(Dollars in thousands)

(a)	(b) Common <u>Line</u>	(c) Traffic <u>Sensitive</u>	(d) <u>Trunking</u>	(e) Total <u>Access</u>	(f) Billing & <u>Collection</u>	(g) <u>IX</u>	(h) <u>Interstate</u>
Plant-in-Service							
1620 Support Plant	932,680	132,484	392,434	1,457,598	0	1,090	1,459,045
1630 Operator Systems Equipment	0	12,914	0	12,914	0	7,087	19,999
1640 COE-Switching	0	904,437	249,795	1,154,232	0	0	1,178,246
1650 COE-Transmission	1,450,297	0	1,926,598	3,376,895	0	0	3,384,204
1660 Cable And Wire Facilities	4,912,418	0	504,146	5,416,564	0	0	5,417,238
1670 IOT Equipment	111,868	0	122	111,990	0	0	111,989
1680 Amortizable Assets	18,535	2,652	7,958	29,145	0	20	29,189
1690 Total Plant-In-Service	7,425,798	1,052,487	3,081,053	11,559,338	0	8,197	11,599,890
Other Investments							
1705 Other Jurisdictional Assets-Net	0	0	0	0	0	0	0
1710 Property Held For Future Use	4	0	1	5	0	0	9
1720 Plant Under Construction	47,935	6,816	20,023	74,774	0	53	74,828
1730 Plant Acquisition Adjustment	0	0	0	0	0	0	0
1740 Invest in Nonaffil Companies	0	0	0	0	0	0	0
1750 Other Deferred Charges	0	0	0	0	0	0	0
1760 Inventories	40,339	5,958	17,561	63,858	0	50	63,910
1770 Cash Working Capital	(35,227)	(5,065)	(14,622)	(54,914)	0	(47)	(54,959)
1780 FCC Investment Adjustment	44,310	6,467	14,626	65,403	0	49	65,451
1790 Total Other Investments	97,361	14,176	37,589	149,126	0	105	149,239
Reserves							
1820 Accumulated Depreciation	3,815,312	536,501	1,567,756	5,919,569	0	4,151	5,946,729
1830 Accumulated Amortization	11,094	1,575	4,817	17,486	0	13	17,502
1840 Deferred FIT	408,597	90,332	240,938	739,867	0	699	745,074
1850 Customer Deposits	7,198	1,055	2,940	11,193	0	8	11,199
1870 Other Deferred Credits	7,364	1,082	3,051	11,497	0	8	11,502
1880 Other Juris Liab & Def Crs-Net	163,104	23,772	68,305	255,181	0	183	255,362
1885 FCC Reserve Adjustment	0	0	0	0	0	0	0
1890 Total Reserves	4,412,669	654,317	1,887,807	6,954,793	0	5,062	6,987,368
Return Data							
1910 Average Net Investment	3,110,490	412,346	1,230,835	4,753,671	0	3,240	4,761,761
1915 Net Return	N/A	N/A	N/A	N/A	N/A	N/A	784,180
1920 Rate Of Return	N/A	N/A	N/A	N/A	N/A	N/A	16.47%
1925 FCC Ordered Refund	N/A	N/A	N/A	N/A	N/A	N/A	0
1926 Refund Adjusted for Taxes	N/A	N/A	N/A	N/A	N/A	N/A	0
1930 Net Return Including FCC Refund	N/A	N/A	N/A	N/A	N/A	N/A	784,180
1935 Rate Of Return (including refund)	N/A	N/A	N/A	N/A	N/A	N/A	16.47%

NEW ARMIS REPORT 43-04
COLUMN DEFINITIONS

<u>Column</u>	<u>Definition</u>
b. <u>Common Line</u>	- This column reflects the costs of the local loop Pursuant to Part 69 of the Commission's Rules.
c. <u>Traffic Sensitive</u>	- This column reflects the amounts that are assigned to the Traffic Sensitive Access elements pursuant to Part 69 of the Commission's Rules.
d. <u>Trunking</u>	- This column reflects that portion of each line item applicable to charges assessed upon all interexchange carriers who use switching, transport or special access facilities. The amounts entered in this column are assigned pursuant to Part 69 of the Commission's Rules.
e. <u>Total Access</u>	- The total of columns (b), (c) and (d).
f. <u>Billing & Collection</u>	- This column reflects that portion of each row applicable to Billing & Collection services pursuant to Part 69 of the Commission's Rules.
g. <u>Interexchange</u>	- This column reflects that portion of each row applicable to Interexchange services pursuant to Part 69 of the Commission's Rules.
h. <u>Interstate</u>	- The total of columns (e), (f) and (g).

FCC Report 43-06
ARMS CUSTOMER SATISFACTION REPORT

COMPANY: BellSouth Telecommunications
STUDY AREA: All
PERIOD: From Jan 1987 To Dec 1987
COSA: BSTR

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3080-0763
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UNRESTRICTED VERSION
SUBMISSION 1
TABLE I

TABLE I - TOTAL SWITCH DOWNTIME

ROW	CLASSIFICATION	COLUMN					
		Total Number Switches (a)	No Switch Downtime (b)	Total Switch Downtime (c)	Incidents Under 2 (d)	Number Unscheduled (e)	Percent Unscheduled (f)
0100	MSA	1,028	284	1,878.3	280	51	20.40
0101	Non-MSA	634	91	6,802.7	86	43	50.00
0110	Switches Under 1000 Lines	188	18	101.8	6	5	83.33
0111	Switches 1000-4999 Lines	612	88	1,812.3	47	35	74.47
0112	Switches 5000-9999 Lines	288	44	5,843.0	98	28	50.00
0113	Switches 10000-19999 Lines	216	75	212.8	78	8	10.67
0114	Switches 20000 or More Lines	402	188	1,003.7	182	18	11.84

NEW ARMIS REPORT 43-05
COLUMN DEFINITIONS

Table I

<u>Column</u>	<u>Definition</u>
a. <u>Total Number of Switches</u>	- This column reflects the total number of switch entities for a particular category. Switching entities include local, class 5 switching machines and any associated remotes.
b. <u>Number of Switches with Downtime</u>	- This column represents the number of switches that experience downtime in the current reporting period. In cases of multiple incidents of outage in the same switch, that switch would only be reported once.
c. <u>Total Switch Downtime</u>	- Switch downtime occurs when call processing capability for an end office is lost. Downtime is reported in cumulative minutes in this column.
d. <u>Incidents Under Two Minutes</u>	- This column represents the number of incidents of switch downtime under two minutes of duration.
e. <u>Number Unscheduled</u>	- This amount represents the number of incidents of switch downtime under two minutes in duration that were not scheduled for routine maintenance or network upgrades.
f. <u>Percent Scheduled</u>	- This amount represents the percent of downtime incidents under two minutes that are not scheduled for routine maintenance or network upgrades.

FCC Report 43-06
ARMIS OPERATING DATA REPORT

COMPANY: BellSouth Telecommunications
STUDY AREA: All
PERIOD: From Jan 1997 to Dec 1997
COSA: BSTR

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SUBMISSION 1
TABLE 1A
Page 1 of 2

TABLE 1A - OUTSIDE PLANT STATISTICS-CABLE AND WIRE FACILITIES

			— Total Cable —		—Km of Fiber in Cable—	
Row No	STATE OR TERR. (a)	Code (b)	Sheath Km of Metallic (c)	Sheath Km of Fiber (d)	Fiber Km Equipped (Lit) (e)	Total Fiber Km Deployed (Lit & Dark) (f)
0110	Alabama	AL	98,697	7,306	56,938	279,809
0200	Florida	FL	146,946	20,896	283,464	991,852
0210	Georgia	GA	157,238	18,668	248,982	732,602
0220	Kentucky	KY	64,826	6,268	35,398	159,834
0230	Louisiana	LA	101,328	8,200	54,623	208,066
0300	Mississippi	MS	106,611	6,620	50,241	155,248
0440	North Carolina	NC	96,861	10,927	187,467	464,883
0610	South Carolina	SC	73,681	7,840	86,322	227,911
0630	Tennessee	TN	118,438	11,117	116,842	469,986
0810	Total	TO	961,813	96,848	1,038,279	3,690,190

FCC Report 43-06
ARMS OPERATING DATA REPORT

COMPANY: BellSouth Telecommunications
STUDY AREA: All
PERIOD: From Jan 1997 To Dec 1997
COSA: BSTR

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SUBMISSION 1
TABLE 1A
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TABLE 1.A - OUTSIDE PLANT STATISTICS-CABLE AND WIRE FACILITIES

Row No	STATE OR TERR. (a)	state (b)	KM of Metallic Wire in Cable (c)	Equipped Km Km of Tube in Coax Cable (d)	Equivalent Number of Poles (e)	Conduit Trench Km (f)	System Duct Km (g)
			(c)	(d)	(e)	(f)	(g)
0110	Alabama	AL	37,546,101	120	497,896	2,326	15,486
0200	Florida	FL	99,491,526	0	464,000	5,004	56,569
0210	Georgia	GA	63,877,383	867	371,970	5,336	38,319
0290	Kentucky	KY	22,701,788	5	316,491	1,491	16,631
0290	Louisiana	LA	46,884,898	164	296,399	3,182	22,180
0300	Mississippi	MS	26,634,842	2	276,864	772	6,364
0440	North Carolina	NC	46,919,489	171	267,288	2,670	16,230
0510	South Carolina	SC	27,288,168	219	142,723	2,294	14,976
0530	Tennessee	TN	46,418,773	19	426,889	3,126	19,638
0910	Total	TO	491,484,952	1,576	2,963,367	29,420	294,663

NEW ARMIS REPORT 43-06
COLUMN DEFINITIONS

Table I.A

<u>Column</u>	<u>Definition</u>
a. <u>State or Territory</u>	- The name of one of the fifty U.S. states or one of the following: District of Columbia, Northern Mariana Islands, Puerto Rico, Virgin Islands, Ocean Cable, or Total.
b. <u>State or Territory Code</u>	- The two-letter Postal Abbreviation for the state or territory.
<u>Total Cable</u> - All cables, including wire, coaxial cables and fiber. Include both local loop and interoffice facilities.	
c. <u>Sheath Kilometers of Total Metallic Cable</u>	- Sheath kilometers of total cable with copper or other metallic conductors.
d. <u>Sheath Kilometers of Total Fiber Cable</u>	- Sheath kilometers of total cable with nonmetallic fibers.
<u>Kilometers of Fiber in Cable</u> - Fiber optic cables contain thin filaments of glass or other transparent material enclosed in a protective sheath through which light beams may be transmitted. Include both local loop and interoffice facilities.	
e. <u>Fiber Kilometers Equipped with Electronics (Lit)</u>	- The number of kilometers of fiber that are equipped by the reporting company with electronics and ready for analog or digital transmission use (not total sheath kilometers).
f. <u>Total Fiber Kilometers Deployed (Lit and Dark)</u>	- Total deployed fiber measurement calculated as the sum of the products of the numbers of optical fibers in the sheath for each cable times the associated sheath kilometers. Provide total deployed kilometers, not just the portion in service or equipped with carrier equipment.
g. <u>Kilometers of Metallic Wire in Cable</u>	- The sum of the products of the numbers of copper or other metallic wire (pairs multiplied by 2) in each cable times the associated sheath kilometers. The wires must be capable of supporting telecommunications traffic (i.e. not defective). Include both local loop and interoffice facilities.

- h. Equipped Kilometers of Tube in Coaxial Cable - The sum of the products of the numbers of tubes equipped with electronics in each cable times the associated coaxial sheath kilometers. Provide only the number of tube kilometers of coaxial equipped with electronics, not total sheath kilometers. Include both local loop and interoffice facilities.
- i. Equivalent Number of Poles - The number of solely owned poles plus the sum of the products of the numbers of jointly owned poles times their ownership percentages. Where the ownership is unknown, assume 50%. Do not include leased poles. Include poles used to support both local loop and interoffice facilities. Round to the nearest whole number.

Conduit System - Pipes in the Conduit Systems account (Account 2441). This includes conduit, whether underground, in tunnels or on bridges (which is reusable in place), through which cables are pulled. Include both local loop and interoffice facilities.

- j. Trench Kilometers - Total length of the trenches that contain the ducts.
- k. Duct Kilometers - The number of ducts times the trench kilometers.

FCC Report 43-06
ARMIS OPERATING DATA REPORT

COMPANY: BellSouth Telecommunications
STUDY AREA: All
PERIOD: From Jan 1987 To Dec 1987
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SUBMISSION 1
TABLE 1.B
PAGE 1 of 2

TABLE 1.B - OUTSIDE PLANT STATISTICS-OTHER

Row No	STATE OR TERR. (bs)	Code (bb)	Radio Relay System		Terrestrial Km of One-Way/Satellite Radio Channel (bs)	Analog (48Kb/s or Equiv.) (bf)	Digital (64 Kbps or Equiv.) (bg)
			Km of Terrestrial System (ba)	Km of One-Way Terrestrial Radio Channel (bb)			
0110	Alabama	AL	487	3,636	0	0	1,148,792
0200	Florida	FL	36	70	0	0	3,380
0210	Georgia	GA	57	271	0	0	84,578
0280	Kentucky	KY	0	0	0	0	0
0290	Louisiana	LA	213	1,972	0	784	238,344
0360	Mississippi	MS	0	0	0	0	0
0440	North Carolina	NC	0	340	0	0	8,536
0610	South Carolina	SC	0	0	0	0	0
0630	Tennessee	TN	0	0	0	0	0
0910	Total	TD	721	5,988	0	784	1,481,887

FCC Report 43-06
ARMIS OPERATING DATA REPORT

COMPANY: BellSouth Telecommunications
STUDY AREA: All
PERIOD: From Jan 1997 To Dec 1997
COSA: BSTR

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SUBMISSION 1
TABLE 1.B
PAGE 2 of 2

TABLE 1.B - OUTSIDE PLANT STATISTICS-OTHER

Total Equipped Local Loop Circuit Km (Cable and Microwave Systems)						Total Equipped Interoffice Circuit Km (Cable and Microwave Systems)			
Row No	STATE OR TERR (bs)	Code (bb)	Analog (4kHz or Equiv.) (bh)	Digital (64 Kbps or Equiv.) (bi)	Video (hj)	Analog (4kHz or Equiv.) (bt)	Digital (64 Kbps or Equiv.) (bl)	Video (bm)	
0110	Alabama	AL	18,167,788	4,388,384	0	0	24,386,421	388	
0200	Florida	FL	28,312,138	13,782,448	482	0	66,148,638	2,648	
0210	Georgia	GA	18,838,311	12,886,188	848	0	63,772,848	1,418	
0280	Kentucky	KY	8,888,888	1,788,128	188	0	21,038,888	273	
0290	Louisiana	LA	18,371,888	3,887,338	28	784	18,137,848	138	
0380	Mississippi	MS	7,888,388	2,872,784	3	0	28,483,888	8	
0480	North Carolina	NC	8,333,188	8,433,384	9	0	43,483,787	8	
0510	South Carolina	SC	8,917,883	3,218,848	1	0	18,728,878	58	
0630	Tennessee	TN	12,134,338	6,888,232	188	0	24,488,888	273	
0810	Total	TO	97,844,788	63,118,488	1,538	784	386,387,347	5,873	

NEW ARMIS REPORT 43-06
COLUMN DEFINITIONS

Table I.B

<u>Column</u>	<u>Definition</u>
ba. <u>State or Territory</u>	- The name of one of the fifty U.S. states or one of the following: District of Columbia, Northern Mariana Islands, Puerto Rico, Virgin Islands, Ocean Cable or Total
bb. <u>State or Territory Code</u>	- The two letter Postal Abbreviation for the state or territory.
<p><u>Radio Relay System</u> - Equipment that is used to transmit and receive radio waves (Above 890 MHz) through space over which communications channels are provided. In columns (bc) through (bg) report the aggregate number of kilometers of system or channel, as appropriate, between the individual stations or radio-relay systems. Include both local loop and interoffice facilities where applicable.</p>	
bc. <u>Kilometers of Terrestrial System</u>	- Total absolute distance between repeater sites making up microwave radio systems above 890 MHz. Do not include satellite systems in this total.
<p><u>Kilometers of One-Way Radio Channel</u> - Total kilometers of one-way radio channel above 890 MHz used for message, special services, video or protection. A radio channel consists of a single one-way link using a microwave transmitter and receiver. The radio channel distance is the sum of the lengths of each one-way link associated with a transmitter-receiver pair. Where applicable, multiply the distance by 2 to account for two-way transmission.</p>	
bd. <u>Kilometers of One-Way Terrestrial Radio Channel</u>	- Total km of one-way radio channel above 890 MHz used in terrestrial radio systems.
be. <u>Terrestrial Kilometers of One-Way Satellite Radio Channel</u>	- Total terrestrial kilometers of one-way radio channel above 890 MHz used in satellite radio systems, calculated as the terrestrial distance between the receiver and transmitter terminal locations.
<p><u>Kilometers of Telephone Channel</u> - Number of equivalent analog or digital telephone circuit kilometers that are equipped and on radio systems above 890 MHz.</p>	
bf. <u>Kilometers of Analog Telephone Channel (4 kHz or Equivalent)</u>	- Number of 4 kHz or equivalent analog telephone circuit kilometers that are equipped and on radio systems above 890 MHz. This value is the sum of the products of the number of equivalent analog circuits on each link times the length of the link.

- bg. Kilometers of Digital Telephone Channel (64 kbps or Equivalent) - Number of 64 kbps or equivalent digital telephone circuit kilometers that are equipped and on radio systems above 890 MHz. This value is the sum of the products of the number of equivalent digital circuits on each link times the length of the link. In the case of radio systems carrying DS-1 channels for which DS-1 utilization is not known, calculate the sum of the products of the number of DS-1's on each link times the length of the link, round the result to the nearest whole kilometer, and multiply by 24.

Total Equipped Local Loop Circuit Kilometers (Cable and Microwave Systems) - Total equivalent voice-grade or video circuit kilometers in local loop plant. Include both cable and microwave facilities.

- bh. Equipped Local Loop Analog (4 kHz or Equivalent) Circuit Kilometers - Includes analog baseband, lightguide (fiber) cables, open wire, paired cable, microwave radio and other analog microwave in local loop plant. Report in equivalent 4kHz circuit kilometers.
- bi. Equipped Local Loop Digital (64 kbps or Equivalent) Circuit Kilometers - Includes digital baseband, lightguide (fiber) cables, digital carrier and microwave radio in local loop plant. Report as equivalent 64 kbps circuit kilometers. This may be calculated by summing unrounded DS-1 kilometers, rounding the total to the nearest kilometer, and multiplying the result by 24.
- bj. Equipped Local Loop Video Circuit Kilometers - Kilometers of derived video channel in local loop plant.

Total Equipped Interoffice Circuit Kilometers (Cable and Microwave Systems) - Total equivalent voice-grade or video circuit kilometers in interoffice plant. Include both cable and microwave facilities.

- bk. Equipped Interoffice Analog (4 kHz or Equivalent) Circuit Kilometers - Includes analog baseband, lightguide (fiber) cables, open wire, paired cable, microwave radio and other analog microwave in interoffice plant. Report in equivalent 4 kHz circuit kilometers.
- bl. Equipped Interoffice Digital (64 kbps or Equivalent) Circuit Kilometers - Includes digital baseband, lightguide (fiber) cables, digital carrier and microwave radio in interoffice plant. Report as equivalent 64 kbps circuit kilometers. This may be calculated by summing unrounded DS-1 kilometers, rounding to the nearest kilometer, and multiplying the result by 24.
- bm. Equipped Interoffice Video Circuit Kilometers - Kilometers of derived video channel in interoffice plant.

FCC Report 43-06
ARMS OPERATING DATA REPORT

COMPANY: BellSouth Telecommunications
STUDY AREA: AN
PERIOD: From Jan 1997 to Dec 1997
COSA: BSTR

Approved by OMB
3060-0496
Expires 09/30/98
UNRESTRICTED VERSION
SUBMISSION 1
TABLE II
Page 2 of 2

TABLE II - SWITCHED ACCESS LINES IN SERVICE BY TECHNOLOGY

Row No	STATE OR TERR. (en)	Code (sh)	Control Office Switches		Total Control Office Switches (en)	Basic Rate ISDN Control Channels (en)	Primary Rate ISDN Control Channels (en)
			Ext Remote (sh)	Remote Switches (sh)			
0110	Alabama	AL	99	61	161	9,878	1,386
0200	Florida	FL	146	79	224	16,838	2,764
0210	Georgia	GA	112	91	203	26,384	2,113
0220	Kentucky	KY	46	138	183	2,338	398
0230	Louisiana	LA	111	124	235	7,110	936
0300	Mississippi	MS	98	111	207	1,388	271
0440	North Carolina	NC	188	48	148	7,747	1,291
0510	South Carolina	SC	68	61	121	3,488	618
0530	Tennessee	TN	114	88	202	19,913	1,781
0910	Total	TO	891	793	1,674	96,578	11,486

NEW ARMIS REPORT 43-06
COLUMN DEFINITIONS

Table II

<u>Column</u>	<u>Definition</u>
ca.	<u>State or Territory</u> - The name of one of the fifty U.S. states or one of the following: District of Columbia, Northern Mariana Islands, Puerto Rico, Virgin Islands or Total.
cb.	<u>State or territory Code</u> - The two letter Postal Abbreviation for the state or territory.
<u>Analog Switched Access Lines (4 khz or Equivalent)</u> - Switched network access lines and equivalent 4 khz analog access circuits or trunks. This will include access lines from a digital switch if the lines themselves are not terminated at the customer's premises as a digital line.	
cc.	<u>Main Analog Access Lines (4 khz or Equivalent)</u> - Total analog switched network access lines excluding PBX Trunks, Centrex-CO lines, and Centrex-CU trunks, Hotel/Motel LD Trunks, and Multi-Line Semi-Public Lines. Provide the number of analog 4kHz or equivalent access lines connecting to single or multiline telephones.
cd.	<u>Analog PBX and Centrex Trunks (4 kHz or Equivalent)</u> - Equivalent 4 kHz analog circuits or trunks between the central office and a customer location PBX or Centrex, including Centrex-CU Trunks, PBX Trunks, Hotel/Motel LD Trunks, and Multiline Semi-Public Lines. Service is provided by equipment located on customer-controlled space.
ce.	<u>Analog Centrex Extensions (64 kbps or Equivalent)</u> - Equivalent 4 kHz analog circuits connecting a Centrex-CO on telephone company premises to station equipment on the customer's premises. Service is provided by equipment on telephone company owned or leased space.
<u>Digital Switched Access Lines (64 kbps or Equivalent)</u> - Switched network access lines and equivalent 64 kbps (or 56 kbps) digital access circuits or trunks. To be classified as digital, the access lines must be available for use by the customer as digital lines. This will not include access lines from a digital switch if the lines themselves are not terminated at the customer premises as digital lines.	
cf.	<u>Main Digital Access Lines (64 kbps or Equivalent)</u> - The 64 kbps or 56 kbps or ISDN B channels or other equivalent communication channels of digital subscriber lines as defined above that are circuit switched and can carry either voice or data. Do not include access lines connecting to a customer location PBX or Centrex.
cg.	<u>Digital PBX and Centrex Trunks (64 kbps or Equivalent)</u> - The number of 64 kbps or equivalent digital lines terminated on a customer location PBX and/or Centrex. Include Centrex-CU lines

- ch. Digital Centrex Extensions (64 kbps or Equivalent) - The number of 64 kbps or equivalent digital circuits connecting a Centrex-CO on telephone company premises to station equipment on the customer's premises, including ISDN based Centrex-CO Lines. Service is provided by equipment on telephone company owned or leased space.
- ci. Other Switched Access Lines - Provide in terms of equivalent 4 kHz analog circuits or equivalent 64 kbps digital circuits, the number of other switched access lines not included in columns (cc) through (ch). Use a footnote to itemize separate categories and amounts which are shown here.
- cj. Total Switched Access Lines - The sum of columns (cc) through (ci).

Central Office Switches - Assemblies of equipment and software designed to establish connections among lines and between lines and trunks, including access tandems, local, class 5 switching machines, and any associated remote switching machines. There may be more than one switch per central office or wire center.

- ck. Central Office Switches Excluding Remotes - The amount in column (cm) minus the amount in column (cl) for each row.
- cl. Remote Switches - A switch that has no connection to the facilities network except through its host switch. Include not only those remote switches that are equipped to operate in a stand alone fashion, but also those that are not so equipped.
- cm. Total Central Office Switches - The total number of local and tandem switches.

ISDN Control Channels - The packet switched channels on digital subscriber lines (16 kbps for basic rate access or 64 kbps for primary rate access) that carry signaling messages and packet-switched user data.

- cn. Basic Rate ISDN Control Channels - The number of basic rate (16 kbps) ISDN control channels. Also include the number of control channels for similar services with a data rate lower than 16 kbps, and indicate the types included in a footnote.
- co. Primary Rate ISDN Control Channels - The number of primary rate (64 kbps) ISDN control channels. Also include the number of control channels for similar services with a data rate higher than 16 kbps, and indicate the types included in a footnote.

APPENDIX A

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of)	
)	
1998 Biennial Regulatory Review)	CC Docket No. 98-81
Review of Accounting and Cost)	
Allocation Requirements)	
)	
United States Telephone Association)	ASD File No. 98-64
Petition for Rulemaking)	
)	

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COMMISSION
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COMMENTS OF BELLSOUTH

VOLUME #
PAGE # 5

**BELLSOUTH CORPORATION AND
BELLSOUTH TELECOMMUNICATIONS, INC.**

**M. Robert Sutherland
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Date: July 17, 1998

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SUMMARY

Section 11 of the Telecommunications Act of 1996 ("1996 Act") contains an unambiguous mandate to the Commission to review and eliminate needless regulation. No area of regulation is more ripe for streamlining than the Commission's accounting and cost allocation rules. The accounting and cost allocation rules were instituted in an era when a carrier's cost also determined its prices. That, however, is no longer the case for large LECs. Price cap regulation has replaced cost based regulation, thereby breaking the link between a company's cost and its prices. Accordingly, many of the rules and regulations that were established to protect consumers under cost based regulation are simply no longer needed.

The Commission should take the opportunity of this Section 11 review to get rid of the many accounting and cost allocation rules that are unnecessary in the light of price cap regulation. The Commission had thoughtful input from the industry prior to issuing the Notice. The Commission, however, proposes to do very little to rid the industry of needless vestiges of cost based regulation, and instead proposes only to reduce some regulation for mid-sized LECs, many of which remain under cost based regulation. This is both ironic and illogical. There is simply no need for extensive accounting and cost allocation regulation of the price cap LECs.

BellSouth does not oppose the changes proposed in the Notice. Indeed, BellSouth contends that any reduction in regulation is good for the industry because it moves the entire industry closer to where it should be – full competition without government interference. The proposals in the Notice, however, should be extended to all LECs. Retaining costly and time consuming regulation of only one class of carrier distorts the competitive marketplace. Section 11 requires the Commission to eliminate marketplace distortions to the fullest extent

possible consistent with the public interest. The Commission should not stop with the changes proposed in the Notice, but should go further and eliminate other rules that are no longer in the public interest. BellSouth proposes many such changes in its Comments. Arthur Andersen has also filed with the Commission an extensive "white paper" analyzing Part 32 of the Rules and proposing changes that would streamline those Rules. BellSouth endorses the analysis and proposal of Arthur Andersen. BellSouth also endorses the changes proposed in the Comments of the United States Telephone Association.

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COMMENTS OF BELL SOUTH

BellSouth Corporation and BellSouth Telecommunications Inc., ("BellSouth") hereby comment on the issues raised in the Notice of Proposed Rulemaking ("Notice"), FCC 98-108, released June 17, 1998, in the captioned proceeding. For ease of reference, BellSouth has followed the order of presentation of the issues set forth in the Notice.

I. INTRODUCTION

This proceeding was initiated to comply with the requirement in Section 11 of the Telecommunications Act of 1996 (the 1996 Act)

Section 11. Regulatory Reform.

(a) BIENNIAL REVIEW OF REGULATIONS.--In every even-numbered year (beginning with 1998), the Commission--

(1) shall review all regulations issued under this chapter in effect at the time of the review that apply to the operations or activities of any provider of telecommunications service; and

(2) shall determine whether such regulation is no longer necessary in the public interest as the result of meaningful economic competition between providers of such service.

(b) EFFECT OF DETERMINATION.--The Commission shall repeal or modify any regulation it determines to be no longer necessary in the public interest.¹

¹ 47 U.S.C. § 161 (emphasis added).